

BEFORE  
THE PUBLIC SERVICE COMMISSION OF  
SOUTH CAROLINA  
DOCKET NO. 2012-224-C - ORDER NO. 2012-617

AUGUST 17, 2012

IN RE: Joint Application of AT&T Communications	)	ORDER GRANTING
of the Southern States, LLC and AT&T	)	FIRST AMENDED JOINT
Corp. for Approval of Merger	)	APPLICATION FOR
	)	APPROVAL OF MERGER

**Introduction**

Pursuant to S.C. Code Ann. § 58-9-310, this matter comes before the Public Service Commission of South Carolina (“Commission”) on the First Amended Joint Application of AT&T Communications of the Southern States, LLC (“AT&T Communications”) and AT&T Corp. (collectively “Joint Applicants” or “Applicants”) in which AT&T Communications proposes to merge into AT&T Corp. Joint Applicants seek expedited review of this matter based on the verified testimony submitted in the Docket. They state the primary purposes for the merger are customer satisfaction and efficiency, and assert it is strictly a *pro forma* corporate change that will not impact the provision of telecommunications services in South Carolina. Joint Applicants seek to complete the merger by October 31, 2012. For the reasons set forth below, the Commission finds that both expedited review and the Joint Application should be granted.

### **Procedural Background**

On June 6, 2012, Joint Applicants filed their First Amended Joint Application seeking approval of the merger, including all of AT&T Communications' certificates and authorizations subject to the same terms and conditions that appear in them. The Amended Joint Application is supported by the verified direct testimony of James F. Dionne, the Executive Director of Accounting for AT&T Services, Inc. Notice of this matter was properly filed according to Commission regulations, and no petitions to intervene or protests were received. On July 16, 2012, Joint Applicants requested the Commission address this matter in an expedited manner at the earliest possible agenda session on the basis of Dionne's verified testimony.

### **Summary and Discussion**

AT&T Communications is one of more than twenty affiliates that offer competitive local exchange services, intraLATA services, interexchange services, and/or calling card services in various states and the District of Columbia. Dionne's testimony states that the AT&T family of companies is seeking to merge AT&T Communications and various other affiliates into a single affiliate, AT&T Corp., which will offer these services. This consolidation is intended to benefit customers by streamlining the number of AT&T entities offering the services, simplifying customer offers, and reducing customer confusion.

AT&T Communications is a limited liability company formed and existing under the laws of Delaware and is a wholly owned subsidiary of AT&T Corp. In South

Carolina, AT&T Communications provides interLATA telecommunications services pursuant to a Certificate of Public Convenience and Necessity granted by Order No. 83-883 in Docket No. 83-416-C; intraLATA telecommunications services pursuant to authority granted by Order Nos. 92-919 and 93-462 in Docket Nos. 92-182-C, 92-183-C, and 92-200-C; consumer card and operator services pursuant to the authority granted by the Commission in various orders, including Order Nos. 95-1734 and 96-55 in Docket No. 95-661-C; and local exchange telecommunications services granted by Order No. 96-494 in Docket No. 96-073-C. AT&T Corp. is a corporation formed and existing under the laws of New York and is a wholly owned subsidiary of AT&T, Inc. AT&T Corp. is not certificated and does not provide any regulated telecommunications services in South Carolina.

According to the Joint Applicants, all of the technical, managerial, and financial resources of AT&T Communications, including employees, are proposed to be merged into AT&T Corp. The Joint Applicants further state that AT&T Communications' existing customers will be given prior notice of the merger, and the merger will not impact the provision of telecommunications services in South Carolina because AT&T Corp. will provide current AT&T Communications' customers with the same services under the same rates, terms, and conditions that they are currently receiving. The offer of these services will also remain in the same geographic area that they are currently provided. With regard to specific local exchange service, AT&T Corp. seeks to provide such services on a statewide basis subject to the same terms and conditions of the stipulations that AT&T affiliates typically execute with the South Carolina Telephone

Coalition.<sup>1</sup> Last, after the merger is complete, AT&T Corp. asserts it will abide by all the regulatory processes necessary to convert AT&T Communications' tariffs to AT&T Corp.'s tariffs with the intention of operating under one or more d/b/a's as appropriate.

**FINDINGS OF FACT:**

In contemplation of completion of the proposed merger, the Commission makes the following findings of fact:

1. The proposed corporate change is strictly *pro forma* and will not impact the provision of telecommunications service in South Carolina. There will be no change in the control, management, or day-to-day operations of the authorized carrier. Further, service will be provided using the same network, billing systems, and customer service operations currently being used by AT&T Communications;

2. AT&T Corp. will possess the technical, financial, and managerial resources sufficient for the services it intends to provide;

3. AT&T Corp. will provide services in the same geographic areas that AT&T Communications is authorized to provide services, and current AT&T Communications' customers will be provided the services they received from AT&T Communications under AT&T Corp. contracts and tariffs that offer such services under the same rates, terms, and conditions;

4. AT&T Corp. will provide statewide local exchange service under the same terms and conditions of the stipulations that AT&T affiliates typically execute with

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<sup>1</sup> See, e.g., Stipulation between BellSouth BSE and the South Carolina Telephone Coalition in Docket No. 97-361-C; Order No. 1997-1063 (December 23, 1998) at 2-4.

the South Carolina Telephone Coalition and will not adversely impact the availability of affordable local exchange service; and

5. AT&T Corp. will participate in the support of universally available telephone service to the extent it is required under South Carolina law.

**CONCLUSIONS OF LAW:**

1. Expedited review of the Joint Application on the basis of James F. Dionne's verified testimony is granted.

2. Pursuant to S.C. Code Ann. § 58-9-310, the merger of AT&T Communications into AT&T Corp. as described in the Joint Application and this Order should be approved to occur on or about October 31, 2012.

3. We conclude that AT&T Corp. will possess the technical, financial, and managerial resources sufficient to provide the services that are now offered by AT&T Communications, and consistent with S.C. Code Ann. § 58-9-280(B), AT&T Corp. will provide the same services and operate under the same Certificates of Public Convenience and Necessity as established for AT&T Communications.

**IT IS THEREFORE ORDERED:**

1. The merger of AT&T Communications into AT&T Corp. as described in the Joint Application and this Order is approved to occur on or about October 31, 2012.

2. AT&T Corp. shall operate in compliance with S.C. Code Ann. § 58-9-280(B) and all other relevant South Carolina law.

3. AT&T Corp. is granted all of the certificates and authorizations AT&T Communications currently has, subject to the same terms and conditions that exist in these certificates and authorizations.

4. To the extent that any approval for abandonment of service is required by S.C. Code Ann. § 58-9-300 to effectuate the merger, that approval is granted.

5. To the extent “slamming” protections under S.C. Code Ann. § 58-3-230 prevent the merger from occurring, those protections are not required as allowed by South Carolina law. However, AT&T Communications’ existing customers shall be given prior notice of the impending merger that explains how the merger will affect their services and cost of those services.

6. To the extent it is necessary to remove local carrier freezes to implement the merger, those carrier freezes may be removed.

7. After the merger is complete, AT&T Corp. shall convert AT&T Communications’ tariffs to AT&T Corp. tariffs.

8. This Order shall remain in full force and effect until further order of the Commission.

BY ORDER OF THE COMMISSION:

  
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David A. Wright, Chairman

ATTEST:

  
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Randy Mitchell, Vice Chairman  
(SEAL)